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I. KANSAS ARTS COMMISSION POLICIES FOR ALL GRANT CONTRACTS

A. How to Receive Payment For Your Funded Project

1. Sign both copies of the Commission Contract. RETURN THE SIGNED ORIGINAL COPY to the Commission office and keep the copy marked Recipient for your files.
2. Verify that the Commission has received all Final Reports for prior fiscal year grants. Grants will not be awarded until all outstanding Final Reports for your organization are completed and returned.
3. **Payment will be made within 90 days following receipt by the Commission of your signed, original contract.**
4. If it becomes apparent that you will not be able to use all of the funds allocated by the Commission, you must notify the Commission in writing that funds will be returned. Please notify the Commission as soon as possible so that funds may be reallocated to other projects before the end of the fiscal year.

B. Final Report Form

1. Use the enclosed Final Report Form to report on your project or programs. The Final Report Form must be completed for the entire project or program not for individual components. This report must be received by the Commission **within 30 days after the final event of the project or program or by July 30 of the next fiscal year, whichever comes first.**
2. List any changes in the project or program that affect the budget including increases or decreases from the original budget submitted in your application. If these changes reflect more than a ten percent (10%) increase or decrease in the total budget for expenses or income, provide an explanation of the changes on the Final Report Form. Budget expenditures and income reported in the Final Report Form must be only those applicable to the project or program; the applicant should address how any deficit or surplus will be managed by the organization in a separate letter.
3. If you are reporting in-kind goods or services on the Final Report, make sure you maintain adequate records to substantiate the reported items and their dollar value. **It is not necessary for organizations to include in-kind contributions on the financial summary sections unless these contributions are required in order to match the Commission award.** Donated professional services should be valued at the professional's standard rate. All other donated time should be valued at \$18.77 per hour. Donated equipment should be valued at its fair market value.

C. Project Changes

Request permission in writing to make any substantial or basic changes to the project or program proposal, including key personnel, facilities, performing or exhibit dates and

resources. The Executive Director of the Commission will grant permission to make such changes if the basic intent or spirit of the application remains intact.

D. Giving Recognition to the Kansas Arts Commission for Your Funded Project or Program

1. You are required by the terms of the Contract (Section 8) to recognize the Kansas Arts Commission for its role in providing financial assistance to arts projects in Kansas. This recognition is important for two reasons: a) Kansas taxpayers, your patrons, are informed how and where their tax dollars are being invested, and b) Kansas legislators, who have generously supported the arts through annual appropriations, are alerted of funding in their districts.
2. Grant recipients are required to use on all printed and electronic material the Kansas Arts Commission logo and the following credit line: "This program is presented in part by the Kansas Arts Commission, a state agency, and the National Endowment for the Arts, a federal agency, which believes that a great nation deserves great art." Credit to additional agencies or funding sources may also be required. Failure to give credit for financial assistance is a violation of this contract.
3. A selection of camera-ready logos is enclosed for your use. Additional logos may be obtained from the Commission office or from the Commission website.
4. Please use the logos in a conspicuous place and have the credit line set in appropriate (no smaller than 8-point) type size. EXAMPLE of 8-point: "This program is presented in part by the Kansas Arts Commission, a state agency, and the National Endowment for the Arts, a federal agency, which believes that a great nation deserves great art."

E. Financial Management

Many different methods may be used for implementing financial management and accounting systems. Each organization should choose the method appropriate for its particular scale of operations and needs. Grantees must have accounting systems that provide accurate and complete information about all financial transactions related to each Commission-supported project or program, grant or contract. Please refer the Kansas Arts Commission Financial Management Guide (enclosed) for information regarding Kansas Arts Commission audit standards, audit reporting requirements, and additional information on other uniform administrative requirements.

II. ADDITIONAL FEDERAL REGULATIONS

All recipients must comply with all federal regulations regarding fair labor standards, civil rights, program accessibility, and audit of records:

A. Fair Labor Standards

1. All professional performers and related or supporting professional personnel employed on projects or productions which are financed in whole or in part under the award will be paid, without subsequent deduction or rebate on any account, not less than the minimum compensation as determined by the Secretary of Labor to be the prevailing minimum compensation for persons employed in a similar activity.
2. No part of any project or production which is financed in whole or in part under the award will be performed or engaged in under working conditions which are unsanitary or hazardous or dangerous to the health and safety of the employees engaged in such project or production. Compliance with the safety and sanitary laws of the state shall be prima facie evidence of compliance.

B. Civil Rights

Information On Non-Discrimination. The Kansas Arts Commission complies with all state and federal laws and regulations concerning civil and human rights and must assure that programs, awards and employment practices are free of any discrimination based on race, color, national origin, physical disability, sex, or age.

A signed Commission contract indicates that the funded organization understands and is in compliance with federal law. Any program or activity receiving state financial assistance through the Commission must comply with the following federal acts:

— Title VI of the Civil Rights Act of 1964 provides that no person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity receiving federal financial assistance.

— Section 504 of the Rehabilitation Act of 1973 provides for nondiscrimination in federally assisted programs on the basis of handicap.

— Subject to certain exceptions, Title IX of the Education Amendments of 1972 prohibits the exclusion of persons on the basis of sex from any educational program or activity receiving federal financial assistance.

— The Age Discrimination Act of 1975 provides for nondiscrimination in federally assisted programs on the basis of age.

C. Public Accessibility

Any project or program underwritten with Commission funds must be open to the public with reasonable accessibility to all persons. Commission monies may not be used for religious services, private functions, or any other non-public service function.

Implementation of the Americans with Disabilities Act (ADA) and companion amendments to the Kansas Act Against Discrimination mandate a minimum standard for accessibility required in all public accommodations owned and operated by private and public entities. All Commission grant recipients must be in compliance with Section 504 of the Rehabilitation Act of 1973, which provides for nondiscrimination in federally assisted programs on the basis of disability. Programs should be adapted so that persons with disabilities can participate with their non-disabled peers.

D. Accessibility of Records

The Kansas Arts Commission, National Endowment for the Arts, and the Comptroller General of the United States, or any duly authorized representatives, shall have access to any books, documents, papers, and records maintained to account for funds expended under the terms and conditions of this award for the purpose of making audit, examination, excerpts and transcripts.

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FINANCIAL MANAGEMENT GUIDE

The Kansas Arts Commission Financial Management Guide is not offered as a complete manual for procedures on grants administration. This guide is intended only to provide practical information on what is expected from grantee agencies in terms of fiscal accountability. General information on other topics related to grant administration may be obtained by referring to the relevant Office of Management and Budget Circulars and the documents included in the Kansas Arts Commission grant award package furnished to all grantees.

FINANCIAL AUDITS

Any organization that receives in excess of \$50,000 during its most recently completed fiscal year from the Kansas Arts Commission in the form of grants, support, contract income or any other financial support is required to submit an audit of its financial statements.

Such audit shall be performed by an independent Certified Public Accountant (CPA) and must cover the fiscal year during which the organization received the support from the Kansas Arts Commission in excess of \$50,000. The audit must be submitted to the Kansas Arts Commission office within 6 months after the fiscal year end-date.

In addition to submitting the audit, the organization shall submit the management letter of recommendations received from its CPA as a result of the audit, if any. The organization shall also provide its responses to each item noted in the management letter of recommendations, as well.

A letter of engagement with an independent auditor or firm will be accepted at the time of application, providing the audit is completed and submitted within 6 months following the application submission. Organizations that fail to submit an audit by the appropriate deadline will become ineligible for funding.

Organizations with less than a one-year financial history, cities, counties, state governments and other public agencies—such as USDs, community colleges and libraries—are exempt from the audit requirements. If you have questions about the audit requirements, contact the Kansas Arts Commission office at 785/296-3335.

Organizations receiving funds from the Kansas Arts Commission are expected to maintain a state of audit readiness. Records pertinent to the financial and programmatic aspects of their grants must be readily accessible for audit. Failure to provide a federal or state auditor with reliable documentation could lead to questioned costs and possibly result in cost disallowances requiring refunds to the Kansas Arts Commission or the National Endowment for the Arts.

Organizations expending federal funds equal to or in excess of \$500,000 received from all federal sources are required to submit a financial and compliance audit in accordance with Office of Management and Budget document A-133 “Audits of States, Local Governments and Nonprofit Organizations.” The Kansas Arts Commission will withhold funding of applications from organizations that fail to comply with the compliance audit requirement.

Audits and all supporting accounting records must be maintained on file for three years following the submission of the final report to the Kansas Arts Commission.

AUDIT REPORTING REQUIREMENTS

A standard audit report should include:

- * A title that specifically mentions the word “independent” (e.g., “Independent Auditor’s Report”).
- * A specific reference to the fact that the financial statements have been audited in accordance with GAAS¹.
- * A statement the GAAS requires planning and performing the audit to gain reasonable assurance that the financial statements do not contain any material misstatements.
- * A statement that an audit includes a test of evidence supporting amounts and disclosures, an assessment of the GAAP² applied, and an evaluation of the overall presentation.
- * A statement that the audit provides a basis for the auditor’s opinion.
- * An opinion about the fair presentation of the financial statements in accordance with GAAP.
- * Commentary that the financial statements are representations of management, and that it is the auditor’s responsibility to express an opinion on those financial statements.
- * A manual or printed signature of the auditing firm.
- * A date that indicates the approximate end of the fieldwork performed.

REFERENCES ON UNIFORM ADMINISTRATIVE REQUIREMENTS

Nonprofit organizations, colleges and universities are subject to the requirements of the Office of Management and Budget (OMB) Circular A-110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations,” as amended.

State and Local Governments are subject to the requirements of OMB Circular A-102.

The following OMB Circulars set forth the Federal cost principles that generally apply to Kansas Arts Commission grantees.

- * OMB Circular A-87, “Cost Principles for State and Local Governments,” as amended: state, local and Federally recognized Indian tribal governments;
- * OMB Circular A-122, “Cost Principles for Nonprofit Organizations,” as amended: nonprofit organizations, exclusive of institutions of higher education; and,
- * OMB Circular A-21, “Cost Principles for Educational Institutions,” as amended: public and private institutions of higher education.

Copies of these OMB Circulars may be obtained through a link on the National Endowment for the Arts website <<http://www.arts.endow.gov>>.

If you have any questions regarding this guide, please call the Kansas Arts Commission office for assistance, 785/296-3335.

¹ Generally Accepted Auditing Standards

² Generally Accepted Accounting Principles